INFORMATION REPORT CD NO. DATE DISTR. 22 NOV 49 COUNTRY Germany (Russian Zone) SUBJECT NO. OF PAGES Notes on Russian Zone Steel Industry Return to CIA Library NO. OF ENCLS. PLACE ACQUIRED SUPPLEMENT TO DATE OF I 25X1X REPORT NO. Riesa: In the "Bar Rolling Mill" Building, the construction of the medium iron mill and the refined iron mill is at present underway. Two push heating furnaces have already been completed for the medium iron mill, and an additional push heating furnace for the refined iron mill is under construction. This building also houses temporarily the steel mould foundry, which is to remain in production until the completion of the steel mould foundry at Gröditz. Later a cogging mill is to be erected where Riesa's steel mould foundry now located.

- 2. In Building I, an installation for the production of seamless tubes has been in production for three months. This building also contains an installation for the production of butt welded tubes. The sheet strips (Blechstreifen) necessary for this are obtained from Hennigsdorf and the sheet rolling mills in Aue and Olbernhau. In Buildings II and III the construction of tanks (containers) is carried out.
- 3. Iron Industry's New Projects: The reconstruction of the steel plants and rolling mills in the Soviet Zone appears to be determined by momentary shortages rather than by a long-range, well thought out plan. The various reconstruction projects are pushed without any consideration of the expediency of the location, and the distribution of the rolling mills among numerous widely separated enterprises is highly irrational from a technical and economic point of view. As a consequence, an excessive load is put on the transportation system, and the industrial costs are very high.

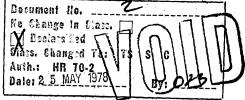
25X1A

Comment: Source is being checked for further information on the plant layout at Riesa.

This document is hereby regraded to CONFIDENTIAL in accordance with the

tetter of 16 October 1978 from the Director of Central Intelligence to the Archivist of the United States.

Next Review Date: 2008



Landon 1

condina.

CLASSIFICATI SOUTH S. OFFICIALS ONLY

STATE X # MAVY X MORB DISTRIBUTION

ARMY X # AIR X # FBI